

**ORIGINAL**

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**FILED**

DEC 08 2005

**RICHARD W. WIEKING**  
 CLERK, U.S. DISTRICT COURT  
 NORTHERN DISTRICT OF CALIFORNIA

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12 UNITED STATES DISTRICT COURT  
 13 NORTHERN DISTRICT OF CALIFORNIA  
 14 SAN FRANCISCO DIVISION

SECURITIES AND EXCHANGE COMMISSION,

Case No. C-99-289-VRW

Plaintiff,

**~~PROPOSED~~ ORDER APPROVING  
DISTRIBUTION PLAN**

vs.

HONG LU and CHI-LIN TOM,

Defendants.

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 21 Plaintiff Securities and Exchange Commission ("Plaintiff" or "Commission") Motion for  
 22 Approval of Distribution Plan came before this Court. The Commission seeks by its Motion an  
 23 order: (1) approving the plan proposed by the Commission to distribute approximately \$360,000  
 24 currently in an account in the Court Registry Investment System ("CRIS") disgorged by the  
 25 defendants in this case; and (2) directing the Clerk to transfer the funds in the CRIS account to  
 26 Goldman Sachs Execution & Clearing, L.P., as the successor to Spear Leeds & Kellogg, L.P..

27 The Court, having considered the Commission's Motion, finds the Commission's  
 28 proposed plan for distribution fair and reasonable. Therefore:

1 IT IS ORDERED that Plaintiff's plan for distributing the funds is hereby approved and  
2 authorized.

3 IT IS FURTHER ORDERED that the funds currently held in the CRIS account, totaling  
4 \$359,864.08 as of August 11, 2005, including the funds originally deposited as a payment by the  
5 defendant in this case and the income earned on those funds as interest (less allowable fees  
6 deducted by the Court), be distributed to Goldman Sachs Execution & Clearing, L.P., as the  
7 successor to Spear Leeds & Kellogg, L.P., as the investor identified as having been harmed by  
8 the defendants' conduct. The Clerk of the Court is directed, without further order of this Court,  
9 to deduct from the income earned on the investment from August 11, 2005 to the present a fee,  
10 not exceeding that authorized by the Judicial Conference of the United States and set by the  
11 Director of the Administrative Office of the United States Courts.

12 IT IS FURTHER ORDERED that the Clerk of the Court is hereby directed to transfer the  
13 above-described funds in the CRIS account, including the principal plus income earned (less any  
14 fee deducted), by wire transfer or by other, similar means, directly to Goldman Sachs Execution  
15 & Clearing, L.P. (as the successor to Spear Leeds & Kellogg, L.P.).

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17 IT IS SO ORDERED.

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20 Dated: DEC 08 2005

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United States District Judge